

DRAFT

PPD 257-9-2

TOP SECRET

Contra Link Chronology

Note: We have very little information directly related to the diversion of funds from the Iranian deals to the contras, however, there is considerable evidence of a complex Secord-North operation to resupply the contras, particularly in the spring of 1986 -- the same time as the alleged contra diversion was to take place and a period in which the contras were particularly desperate. Secord was deeply involved in both the Iranian shipments -- including money handling -- and the contra resupply efforts -- again, including transfers of funds into a "Lake" account; probably Lake Resources. Lake Resources has also come up as one of the accounts used in the financial transactions surrounding the Iranian arms deal.

o November 22, 1985

First indication of North involvement in efforts to resupply the contras. North "prof" note to Poindexter laments the necessary postponement of "the first direct flight (of ammo) to the resistance field at Bocay, Nicaragua". This was a Secord-North operation out of [redacted] that had to be delayed because of the need to provide last minute planes to assist the Israelis in completion of the planned November shipment to Iran.

o January 15, 1986

First indication that North was planning a "scam" -- ie. to overcharge the Iranians several thousand dollars for each TOW. In a "prof" note to Poindexter he suggests that "the US take \$10 million for 1000 basic TOWs from Iran (actual cost \$2.8 million)" and use the residual to purchase 508 TOWs to replenish Israeli stocks -- for the September 1985 shipment. Note: Replenishment finally took place in May '86 at a cost of \$2 million (this price is quoted the April 6 decision memorandum -- below). In the January "prof" note North does not indicate where the remainder of the money from such a deal would go.

o April 3, 1986

North note on his appointment card "call Copp, 650k to LAKE".

o April 6, 1986 decision memorandum

In this memo North lays out a plan to allocate \$12 million worth of residual funds from a planned April Iranian transaction to the purchase of "critically needed supplies for the Nicaraguan Democratic Resistance Forces". The memo requests Presidential approval of the planned hostage transaction and Terms of Reference, but not the

TOP SECRET

DRAFT

OD-1003

25XI, E.O.13526

DRAFT

~~TOP SECRET~~

-2-

"bridge" funding scheme. (This April deal was later postponed due to the Libyan bombing and eventually took place in May -- the McFarlane trip.) Bernie McMahan (SSCI) says that Poindexter told Durenburger that he never briefed the President on this memo. He claims that he first told North to sanitize it -- ie. to remove the reference to use of the residual funds. So far we have been unable to locate a copy of the "sanitized" version of this memo.

o April 16, 1986

One of a series of communications from Secord (using code name "Copp"). "650k received today as reported by the banker."

o April 22, 1986

North note from Central America to "WGH" -- NSC. Highlights desperate straits of contras -- "no boots, uniforms, packs, ponchos or weapons available for new recruits". North says "the picture is dismal unless a new source of "bridge" funding can be identified... We need to explore this problem urgently or there won't be a force to help when the Congress finally acts."

o May 12, 1986

Memo from North to Poindexter entitled "Next Steps re Aid to the Nicaraguan Democratic Resistance Forces (DRF)" reviews a meeting that day in which it is "agreed that immediate action is necessary to prevent a major defeat of the DRF", and provides a briefing memo for an NSPG on the subject. The memo offers three options to provide new funding to the contras:

- o immediate reprogramming of \$15 million in humanitarian assistance from DoD to CIA and \$5 million a month through August 1986;
- o Presidential appeal for private donations by US citizens;
- o private Presidential overture to certain heads of State financially and politically capable of "bridging" resistance needs until a more favorable Congressional environment obtains.

o May 16, 1985

NSPG meets on aid to the contras. (Attending: President, VP, Shultz, Weinberger, Baker, Casey, Wickham, Regan, Poindexter; Fuller Habib, Abrams, Ikle, Fiers, Moellering, Ball, Derejian, McDaniel, Burghardt, North). Highlights the perception of an urgent, crisis situation with respect to the contra funding; all humanitarian aid expended, all outside funding to be depleted by mid-June and no other sources readily available. Weinberger supports trying everything -- "every country we can find, the committees, and the

~~TOP SECRET~~

OD-1003

DRAFT

DRAFT

~~TOP SECRET~~

-3-

people of the United States. If the contras are out of business in July, we will have to fight there ourselves some day." It is agreed an NSDD would be prepared and Shultz would prepare a list of countries to be approached by State.

o May 2, 1986

Secord ("Copp") note to North. Discusses CIA and US Central American Military Group efforts to help facilitate his CentAm operations.

o October 1986

Roy Furmark (Canadian businessman; former Casey legal client; Khashoggi partner in funding Iran deals) contacts Casey and informs him of financier problems -- lack of repayment for monies put up to finance Iran deals and intention to go public with their complaints. This meeting leads to further discussion in New York between Charlie Allen (CIA) and Furmark. In an October 15 meeting Furmark informs Allen that Ghorbanifar told him that some monies were diverted to Central America. Allen informs Casey and then North of these allegations. (Casey HFAC testimony; B.McMahan SSCI)

Casey meets twice in October with Poindexter; urges him to get to the bottom of this. Allen drafts memo for Casey to Poindexter -- never sent. (we will be getting a copy of this memo from CIA)

o November 23, 1986

Meese announces diversion of funds from Iranian transactions to the Nicaraguan Democratic Resistance Forces.

~~TOP SECRET~~

DRAFT OD-1003